



**MINUTES OF SPECIAL MEETING OF THE CITY
COUNCIL/REDEVELOPMENT AGENCY OF THE
CITY OF HAYWARD**

City Council Chambers

777 B Street, Hayward, CA 94541

Tuesday, June 5, 2001, 8:00 p.m.

MEETING

The Special Joint Meeting of the City Council/Redevelopment Agency was called to order by Mayor/Chair Cooper at 8:00 p.m., followed by the Pledge of Allegiance led by Council Member Hilson.

ROLL CALL

Present: COUNCIL/RA MEMBERS Jimenez, Hilson,
Rodriguez, Ward, Dowling, Henson
MAYOR/Chair Cooper

Absent: None

PROCLAMATION: Affordable Housing Week

Mayor Cooper proclaimed the week of June 1, 2001 to June 10, 2001 as Affordable Housing Week in the City of Hayward and called upon residents to learn about and recognize the contributions of affordable housing by participating in activities held throughout the week to commemorate this observance. The Mayor presented the Proclamation to Joel Macabe, Executive Director of Allied Housing, Inc., and Board Member on the East Bay Housing Organization, who stated that similar proclamations are being presented throughout the county. He introduced Ralph Morales, of All Saints Church, who commented on the efforts being made by the faith-based community towards affordable housing. He distributed booklets sponsored by his organization.

PRESENTATION: Business Recognition Award

The City of Hayward Business Recognition Award for June 2001 was presented to IMPAX Laboratories, Inc., for expanding its pharmaceutical research and development work here in Hayward. IMPAX develops, manufactures and markets pharmaceutical products. The firm specializes in using a variety of materials to capture and release active drug compounds at varying rates and predetermined locations within the gastrointestinal tract of humans.

In 1997, IMPAX moved to Hayward. Company officials say Hayward was selected due to its strategic location, affordable real estate value and the easy commute for its employees. IMPAX employs approximately 60 people at the Huntwood site. Following the completion of improvements to its new facility on San Antonio Avenue, IMPAX estimates they will employ between 250 to 300 people. Mr. Mark Shaw, Director of Regulatory Affairs for IMPAX Laboratories, Inc., thanked Council and accepted the award. He noted that his firm has had

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several productive years and is expanding. A new building is being constructed in Hayward as they are faced with the challenge of developing new projects.

Hayward Community Service Scholarships

Last year, the Hayward Youth Commission established the Hayward Community Service Scholarship program to award \$1,000 scholarships to Hayward high school students in recognition of their outstanding community service. The first recipients of the scholarships are high school seniors who will graduate this month and attend either a two-year or four-year college or university in the fall. In addition, each has completed at least 100 hours of community service in the Hayward community over a designated 12-month period. Millie Saad, Advisor to the Hayward Youth Commission, announced the recipients of the 2001 Community Scholarship as follows: Wendy Chen, Mt. Eden High School; Michael Philips, Moreau Catholic High School, Diane Rios, Hayward High School; and, Rosalinda Solano, Tennyson High School. Mayor Cooper introduced Dr. Frank Wells, President of the Hayward Unified School District Board and Dr. Sunday-Joseph Otengho, representing Superintendent Dr. Joan Kowal. She congratulated, commended, and thanked each student for their hard work and efforts in making the community a better place to live.

PUBLIC COMMENTS

Jason Moreno, 25200 Carlos Bee Boulevard, spoke on his efforts to assist low-income housing tenants.

Lawrence Ferguson, 26207 Coleman Avenue, spoke on behalf of the Huntwood neighborhood citing traffic and safety issues in the Harder-Lund project area. He also commented on his efforts with Victory Outreach Church to clear the adjacent area of weeds in that neighborhood.

Frank Goulart, 22248 Main Street, announced the Neighborhood Alliance meeting on Saturday, June 16.

Jim Drake, 25795 Franklin Avenue, urged the Council to provide 20% discount on utilities and suggested citizens' survey be taken on the power plant project.

CONSENT

Item 3 was removed for further consideration.

1. Approval of Minutes of the City Council Meeting of May 22, 2001

It was moved by Council Member Ward, seconded by Council Member Henson, and unanimously carried to approve the Minutes of the City Council Meeting of May 22, 2001.

2. Authorization of Execution of an Agreement for Employee Assistance Program Services

Staff report submitted by Personnel Director Perrin-Scales, dated June 5, 2001, was filed.



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It was moved by Council Member Ward, seconded by Council Member Henson, and unanimously carried to introduce and adopt the following:

Resolution 01-080, "Resolution Authorizing the City Manager to Execute an Agreement with Holman Professional Counseling Services for employee Assistance Program Services"

3. Loan to Crown Management for Facade Renovation of the Green Shutter Hotel

Staff report submitted by Neighborhood and Economic Development Manager Bauman, dated June 5, 2001, was filed.

Council/RA Member Jimenez asked several questions related to the amount of the loan, description of the improvements and their intended completion.

City Manager/Executive Director Armas responded, noting that the loan will total \$100,000, but the total cost of the improvements will be \$300,000. The loan is part of the seismic rehabilitation program, previously approved for buildings in the downtown.

It was moved by Council/RA Member Ward, seconded by Council Member/RA Henson, and unanimously carried to adopt the following:

Redevelopment Agency Resolution 01-06, "Resolution Amending Resolution No. 00-089, the Budget Resolution for Fiscal Year 2000-2001, Relating to an Appropriation of Funds for the Purpose of Making a Loan to Crown Management, Inc., for Facade Improvements to the Green Shutter Hotel"

HEARINGS

- 4. Review of the Operating Budget for the City of Hayward and the Redevelopment Agency Budget for Fiscal Years 2001-02 and 2002-03, the 2001-02 Master Fee Schedule, and the 2001-02 Gann Appropriation Limit and the Five Year Capital Improvement Program 2001-02 - 2005-06**

City Manager/Executive Director Armas reported that this is a two-year budget program. However, the Council will only consider the first year in its deliberations. The general fund absorbs personnel additions that were previously funded by grants of which eight are sworn positions. In the first year, a school safety program that will provide better safety and traffic controls in and around our schools. The second year budget provides for additional police personnel. He highlighted the fiscal changes in various departments, including additional funding for library materials and increased hours at both the Main and Weekes Branch libraries. He noted that service enhancements include additional animal care attendants, the neighborhood partnership program, a tool lending program, additional staff for landscaping to maintain entryways and surrounding arterials. In concert with the Hayward Area Recreation and Park District, there is a proposal to start on a pilot basis a youth center that utilizes the temporary library that will be vacated on completion of the expansion of the Weekes Branch Library. Funds have been included to better market the City to businesses. As the Council has interest in a hotel conference facility, funds have been set aside should there be a need to pursue such a venture. Based on the City's long-range planning objectives, there will be exploration in regard to potential annexations. He identified some of the main projects of the Five-Year Capital Improvement Projects budget.

Lastly, he thanked staff for their arduous work on this endeavor, including Finance Director Carter, Budget Analyst Rohrer, as well as the Department Heads. On the Capital Improvement Projects Budget, he thanked Public Works Director Butler, Deputy Director/Engineering Bauman and Administrative Analyst II Baker.

City Manager/Executive Director Armas responded to Council's questions related to the increased water service fees, neighborhood initiatives, and the youth activity center. He noted that the youth center is a result of continued efforts by the City, HARD and HUSD to address youth concerns.

In response to a question from Council/RA Member Ward, he described the improvements to the City's wastewater treatment plant that total \$35 million. He noted that staff will study the use of reclaimed water in various areas and noted the potential use of this facility by the proposed power plant.

Council Member/RA Henson asked if the City is sufficiently ready to address the increased growth in population. He asked for further clarification on the neighborhood initiative programs.

City Manager/Executive Director Armas reported that future land use is already proposed in the City's Master Plan. In regard to the street use, there is always need for improvement. The Neighborhood Initiative Program funding will be increased and includes a tool lending program, as well as other general neighborhood improvements.

Mayor/Chair Cooper opened the public hearing at 9:12 p.m.

Wayne F. Reel, 16115 East 14th Street, San Leandro, spoke in support of a Volunteer Coordinator at the animal shelter.



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Jeanne Gocker, 24982 Second Street, emphasized the need for a Volunteer Coordinator at the animal shelter and felt that the current volunteer coordinator is already impacted. She noted that in the City of Pomona, licensing generated revenues and focusing on adoption of the animals would lessen costs for housing, feeding and then having to put them to sleep. She also suggested that the San Leandro contract with Hayward could be increased as a way of offsetting the cost of the position.

Mayor/RA Cooper asked those present in favor of this position to please stand; there were about fifteen.

Council/RA Member Dowling asked for further clarification and asked staff if the proposed position could assist in recovering costs to offset that position.

Council/RA Member Jimenez asked about revenue generating projects as well as how much revenue is being generated by the current San Leandro contract.

City Manager/Executive Director Armas responded that this position would need to be funded by the general fund. In reviewing this in the past, the licensing revenue would not cover the costs of that position. Increasing the current San Leandro contract would not be beneficial at this time.

Frank Goulart, 22248 Main Street, spoke in support of the library increases, the proposed youth center, funding for after-school youth programs, increased funding for the Neighborhood Initiatives Program, as well as the streets and sidewalks programs. He commented on the deletions from the master fee schedule of certain hazard materials. It was noted that the City is coordinating with Alameda County and restructuring the fees.

Jason Moreno, 25200 Carlos Bee Boulevard, commended the Cal State newspaper for placing photos of animals for adoption. He spoke on the neighborhood initiative program grants increase.

Robert Lopez, 369 Jane Court, commended Council for its efforts towards youth and commented that the proposed youth center is not enough.

City Manager/Executive Director Armas reported that the budget includes a project that will begin in June to provide after school programs both at the Chavez and Winton Middle Schools. These programs will address youth and provide meaningful activities for the youth of our community.

Council/RA Member Ward inquired as to the youth activities at the Fuller Avenue Community Center.

Staff was not currently aware of those services. It was noted that through efforts by the City, HARD, and the HUSD, the Sunset Swim Center will open shortly, and along with the Mt. Eden High School Swim Center, will serve either end of the community.

Council/RA Member Henson commented on a report by Police Chief Calhoun about after school programs. He wanted to be assured that programs, such as the former PAL program, would continue to establish contact between youth and police officers. Police Chief Calhoun affirmed his point.

Lawrence Ferguson, 26207 Coleman Avenue, expressed concerns that the proposed budget did not include improvements to Huntwood Avenue.

Mayor/Chair Cooper closed the public hearing at 9:42 p.m.

Council/RA Member Hilson offered a motion to direct staff to prepare the necessary documents for the final public hearing and consideration on June 19. Additionally, he referred to the supplemental budget submittal describing the proposed technology plan on page 10 to add \$100,000 to the \$400,000 budgeted for the GIS Development Project and add one Microcomputer Specialist in the second year as referenced on page 33 of the referenced document. He stated that he has spoken with others who have experienced such a project and felt that the recommended figure is rather low. He noted that if it is not needed that staff not use it. He did not see the current appropriation as enough to complete the proposed GIS objectives.

Council/RA Member Henson seconded the motion for the purpose of discussion. He described the efforts of the Council's Technology Applications Committee and his involvement and the priority of the GIS project. He felt that the current funding was sufficient for this budget year and suggested that perhaps these additions could be delayed to a future budget. He asked for staff clarification should this be insufficient when the project goes to bid. It was noted that as in public works projects, staff could recommend the need for a supplemental appropriation. Staff would not delineate from the technology plan to augment this project. Appropriating the funds as part of the current budget is a Council preference.

Council/RA Member Dowling offered a friendly amendment and recommended that Council approve the addition of an Animal Shelter Volunteer Coordinator. He felt that the Friends of the Animals provided a rather persuasive case and that savings could occur in other areas with this position.

Council/RA Member Hilson, as the maker of the original motion, was not in favor of adding this position to the current budget. He regarded this as a volunteer position.

Council/RA Member Dowling then introduced his recommendation as a separate motion. Council/RA Members Jimenez and Rodriquez seconded the motion.



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Discussion ensued with clarification that the volunteer coordinator position would cost approximately \$40,000 and would require a review of the overall personnel structure. It was not recommended that these duties be a part of one of the animal attendant positions that is to be added. There was concern that the animal shelter volunteers need direction to function properly and a suggestion made that perhaps this position could be added on a limited basis.

Council/RA Member Ward felt that the amount to be considered for the GIS development project and an additional Microcomputer Specialist seemed presumptuous. He would prefer to rely on the staff recommendations. He expressed his concerns that the 'difference' would need to be adjusted elsewhere within the budget in light of the previous approval of an additional \$40,000 staff position in the Animal Control Division.

There was some discussion related to the motions which resulted in the following motions:

A substitute motion was moved by Council/RA Member Dowling, seconded by Council/RA Members Jimenez and Rodriquez, and carried by the following roll call vote to approve the addition of a Volunteer Coordinator to the staff of the Animal Control Division:

AYES: Council Members Jimenez, Rodriquez, Dowling,
Henson
NOES: Council Member Ward,
Mayor Cooper
ABSENT: None
ABSTAINED: Hilson

Council/RA Member Hilson, seconded by Council/RA Member Henson, made a motion to direct staff to prepare the necessary resolutions to implement the 2001-03 two-year Operating Budget, the Redevelopment Agency Budget, the Master Fee Schedule, the Gann Appropriation Limit and the Five-Year Capital Improvement Program. Additionally, \$100,000 will be added to the GIS Development Project as well as one Microcomputer Specialist in the second year.

AYES: Council/RA Members Jimenez, Hilson, Rodriquez,
Dowling, Henson
Mayor/Chair Cooper
NOES: Council /RA Member Ward
ABSENT: None
ABSTAINED: None

LEGISLATIVE BUSINESS

5. Local Improvement District No. 18, Downtown Sidewalk and Streetscape Rehabilitation: Preliminary Approval of Engineer's Report

Staff report submitted by Deputy Director for Public Works Bauman, dated June 5, 2001, was filed.

Director of Public Works Butler made the staff report noting that this item was discussed at a downtown committee and reviewed by Council on May 1 and May 22. He described the proposed project costs with an estimate of \$5.8 million. The estimated costs include design and construction costs. He reiterated that the downtown area is within the Redevelopment Agency and it is appropriate to utilize tax increment revenues to partially fund the project. Staff is recommending that the Agency contribute \$3.1 million towards the overall project. It does not include an additional \$600,000 to reduce other property owners' assessments. The remaining improvements will be financed by bond financing for thirty years. In a thirty-year financing, costs for a typical 5,000 square foot property are approximately \$18,850. He enumerated the staff recommendations to preliminarily approve the Engineer's Report, to set the dates for the public meeting as well as the public hearing, and to authorize the City Manager/Executive Director to vote in favor of the establishment of this district. He also described the ballot procedures, the canvass that will occur on July 24th and responded to Council questions.

Council/RA Member Hilson asked for clarification on the costs. It was noted that the first submittals were estimates. With the preliminary engineer's report the costs were re-calculated. Certificates of Participation will be issued based on a twenty-five year plan.

In response to a question related to city-owned properties, staff noted that the assessment runs with the land and should a city-owned property be sold, the new owner would assume the assessment. A property owner could pay the total costs at any time.

Mayor/Chair Cooper opened the public hearing at 10:14 p.m.

Marlene Herndon, 22128 Prospect Street, expressed her concerns on the scope of the streetscape project, the noticing process and the projected assessment process. She stated that only six merchants selected the proposed plan from various alternatives. She asked for a postponement of the recommended action.

Mike Coakley, 1576 Vervais, Vallejo, property owner at B and Main Street, stated that as a property owner, he objected to the proposal. In reviewing his property, sidewalks would total, at \$60 square foot, over \$25,000. He owns 1019 B Street; formerly Ryan's Antiques, and now the 99-Cent Store. He had a number of other questions and was referred to staff.

Director of Public Works Butler noted that an informal public meeting would be held on June 24 for property owners to discuss individual estimated costs.



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Lawrence Ferguson, 26207 Coleman Avenue, stated that this is a rushed project and it should be postponed until the property owners have a chance to speak.

Alan Cox, 22641 Main Street, agreed with the previous speaker and expressed several concerns against this project. He referenced a registered letter that he sent to the City and commented that he has not received a response to a number of questions that he asked regarding this project. He felt that the property owners were being railroaded into this project, as the City owns approximately 40% of the area. He owns the property occupied by the beauty college at 22614 Main Street.

City Manager/Executive Manager Armas clarified that both property owners and downtown merchants participated a year ago and subsequent meetings have occurred.

Frank Goulart, 22248 Main Street, expressed his concerns on fairness as to amount of benefit to the property owners. He felt that using square footage costs at \$60 per square foot was outrageous and not fair and provided examples of costs to particular property owners. He questioned the nearly million dollar contingency. He did not agree that Albertson's should get credit and commented that Albertson's voting would not be fair, as it is one of the larger property owners. He also questioned the voting method.

It was noted that Albertson's does not have a vote on this project.

Douglas Lee, 45 Mainprice Court, San Ramon, a property owner at 940 Main, asked that the proposed action be postponed. He did not agree with the estimated costs. He commented that he received his notice on May 31.

Gustave Fink, 2224 Camino Dolores, Castro Valley, property owner on B Street, stated that trees should not be planted in the sidewalk. He described the downtown as a jungle of trees.

Director of Public Work Butler made a clarification related to the costs. Actual contract prices have not been set. The bonds will not be sold until the actual costs are known.

Jerry Swartz, The Shaver Shop, 35433 Clerement Drive, Newark, ascertained that this assessment district will drive out merchants.

Douglas Day, P.O. Box 17070 Oakland, submitted a speaker's card, but did not speak.

Mayor/Chair Cooper closed the public hearing at 10:47 p.m.

There was discussion regarding the notification process. Council/RA Member Henson asked about the notification process. Director of Public Works Butler reported that notices were sent to both business owners and property owners. There is a 45-day noticing requirement for the public hearing to be noticed to the legal property owners. Council/RA Member Dowling suggested that both the business owners and property owners be notified of the next meeting. Council/RA Member Ward recommended that staff insure notification of all interested parties.

Council Member/RA Hilson moved the staff recommendation, seconded by Council/RA Member Dowling. He noted the fairness of the City to provide a better ambience and a better atmosphere to improve business success.

Council/RA Member Ward reopened the question of notification. He urged various forms of notification be used so that all parties can respond.

Council/RA Member Rodriquez agreed that communication is important. She felt that the improvements need to be done and the project is clear in what is intended. She invited more participation from all parties in bettering the downtown and asked for cooperation to improve the downtown.

Council/RA Member Jimenez emphasized that the ballot will be the final decision on the downtown improvements. If the result is positive the downtown will be one to be proud of. The democratic process is the opportunity to say no to this project.

Council/RA Member Henson reiterated that both merchants and property owners are notified and staff makes a concerted effort to improve this communication. City does have a vote, but property owners do have a say in the final decision.

It was moved by Council/RA Member Hilson, seconded by Council/RA Member Dowling, and unanimously carried to adopt the following:

Resolution 01-081, "Resolution Preliminarily Approving Engineer's Report for Local Improvement District No. 18 (Downtown Sidewalk and Streetscape Rehabilitation), Ordering Hearing and Directing Actions with Respect Thereto"

Resolution 01-082, "Resolution Authorizing the City Manager to Vote in Favor of Local Improvement District No. 18"

RA Resolution 01-07, "Resolution Authorizing the Executive Director to Vote in Favor of Local Improvement District No. 18"

COUNCIL REPORTS

There were no Council Reports.



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ADJOURNMENT

Mayor/Chair Cooper adjourned at 11:00 p.m.

APPROVED:

Roberta Cooper, Mayor, City of Hayward
Chair, Redevelopment Agency

ATTEST:

Angelina Reyes, City Clerk, City of Hayward
Secretary, Redevelopment Agency